

CENTER LINE OTHER POST EMPLOYEES BENEFIT TRUST (OPEB)
REGULAR MEETING

June 9, 2020

Conducted via teleconference

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4/a.✓
8/18/20
OPEB

The regular meeting of the Center Line Other Post Employees Benefit Trust Committee was called to order at 1:05 p.m. on February 11, 2020 by Mayor Robert Binson.

Members Present: Robert Binson, Dennis Champine and Deputy Treasurer Gregory Suma.

Also Present: Tim Brice of the Brice Group via telephone conference call.

2. Approval of Agenda

MOTION by G. Suma, supported by D. Champine to approve the agenda as presented.

AYES: 3 NAYS: NONE

MOTION CARRIED

3. Public Comment

None

4. Approval of minutes

a. Regular Meeting Minutes – February 11, 2020

MOTION by, G. Suma supported by D. Champine to approve the minutes from the February 11, 2020 meeting.

AYES: 3 NAYS: NONE

MOTION CARRIED

5. For your information

a. Correspondence from Gregory T. Suma to Mr. Timothy Brice dated: February 13, 2020. Re: Action by the OPEB Trust Committee to rebalance the portfolio and the termination of Cushing Asset Management and hiring of Energy Income Partners in the MLP sector.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

b. Henry J. Kaiser Family Foundation Publishes FAQs on Prescription Drug Importation ~ February 2020.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

c. Society of Actuaries – Summary of Health Care Cost Institute's 2020 Annual Cost and Utilization Report.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

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- d. Morgan Stanley, Wealth Management ~ What Happened in the Markets**
dated: February 27, 2020. "US stocks fell for a sixth consecutive session on Thursday as the S & P 500 declined 4.4% to close at 2,979". "Renewed concerns over the spread of the COVID-19 virus (coronavirus) have driven a "flight to safety" across financial markets in recent sessions, with global equities sinking while US Treasuries have surged".

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

- e. Morgan Stanley, Wealth Management ~ What Happened in the Markets?**
Dated: March 2, 2020. "US stocks rallied for the first time in eight sessions on Monday as the S & P 500 gained 4.6%, to close at 3090. All three of the major US averages were higher on the session, with the Dow Jones Industrial Average leading the day's gains. However, even with today's gains the S & P 500 is still down 4.4% year to date".

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

- f. Graystone Consulting – Report on Market Corrections prepared on:**
March 9, 2020.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

- g. Correspondence from VanOverbeke, Michaud & Timmony, P.C. dated: March 16, 2020**
Re: Public Meetings – COVID 19.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

- h. Correspondence from VanOverbeke, Michaud & Timmony, P.C. dated: March 19, 2020**
Re: Remote Participation in Public Meetings.

MOTION by, G. Suma supported by D. Champine to receive and file the aforementioned item.

AYES: 3 NAYS: NONE

MOTION CARRIED

6. Presentations

- a. Tim Brice from Morgan Stanley to discuss Money Manager performance results through March 31, 2020 and discussion on:**
i. Morgan Stanley Wealth Management – On the Markets-Escape Velocity June 2020.

Mr Brice started the discussion addressing the *On The Markets* document. Morgan Stanley's CIO Addressed why the markets have rebounded so quickly, a lot have it had to do with corporations who were heavily leveraged borrowing with cheap interest rates and because of the fear of a

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recession have cleared sold off those leveraged assets. Also, that we are in a "V" shaped economy and when the economy opens up again that businesses would rebound and spur growth. The stimulus to the economy by the FED and the CARES Act would also add to the recovery. Mr. Brice stated that the jobs report on June 5, 2020 was anticipating 7,500,000 jobs lost but actually reported 2,500,000 jobs were gained. Between the FED and the CARES Act \$ 6 trillion dollars has been pumped into the economy to try and stabilize it. Mr. Brice said no money manager should be added to a watch list at this time. He reported that the market value of the portfolio through June 8, 2020 was \$ 6,590,861.00. For returns month to date we are up 5.55%, quarter to date we are up 19.91% and for the year we are down - 1.00%. Mr. Brice said it goes to show that if you panicked and sold off equities, we would have lost all the recovery in the markets. This was the greatest recession since the Great Depression but was totally different then that. The economy was shut down due to the pandemic, but as businesses have started to open, we see the economy is recovering hence a recovery in the markets. With this "V" shaped recovery in the economy we are seeing growth which will probably lead to inflation in the future. Value stocks over Growth stocks, Small and mid-cap stocks over Large-cap stocks and International over Domestic equities is where you want to be invested going forward. We can address that when we next review our asset allocation model. This is the quickest recovery in the markets in fifty days in the history of the markets.

A motion to receive and file Mr. Brice's report was entertained by Trustee Champine and was seconded by Trustee Suma.

AYES: 3 NAYS: NONE

MOTION CARRIED

7. Old Business

None

8. New Business

None

9. Approval of vouchers:

- a. Morgan Stanley/Graystone Consulting 1st Qtr. 2020 Investment Management Fees
~ \$ 7,377.99.**

Motion by D. Champine to approve the invoice was seconded by G. Suma.

AYES: 3 NAYS: NONE

MOTION CARRIED

Trustee Suma asked Chairman Binson if he could sign the invoice and initial it to get it paid. Chairman Binson said yes.

10. Commissioner comments

None

Adjournment

MOTION by D. Champine, supported by G. Suma to adjourn the meeting at 1:32 pm

AYES: 3 NAYS: NONE

MOTION CARRIED

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Robert Benson
Chairman

August 18, 2020
Date

Gregory T. Jensen
Secretary

August 18, 2020
Date